

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - -

In Re: : Chapter 11
:
: Case No.
W.R. GRACE & CO., et al, : 01-01139 JKF
:
: (Jointly
Debtors : Administered)

- - -

Friday, May 1, 2009

- - -

Oral deposition of PETER VAN
N. LOCKWOOD, ESQUIRE, taken pursuant to
notice, was held at the offices of CAPLIN
& DRYSDALE, One Thomas Circle N.W., Suite
1100, Washington, DC 20005, commencing
at 9:43 a.m., on the above date, before
Lori A. Zabielski, a Registered
Professional Reporter and Notary Public
in and for the Commonwealth of
Pennsylvania.

- - -

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provision, essentially that we are going to transfer the assets to the Trust and if you got a claim or an interest in the assets, then you can litigate that claim against the Trust.

But we are going, I guess, have potential confirmation objections about whether there are any such claims. I mean, the mere assertion of a claim doesn't mean that it's valid.

BY MR. BROWN:

Q. Okay. If I can direct your attention down to 7.2.4, which is entitled Assignment and Enforcement of Asbestos PI Trust Causes of Action.

A. Yes.

Q. I must confess, I am a bit baffled by this one, so I need some help with it.

How do Asbestos PI Trust causes of action differ from asbestos insurance rights?

A. Well, I have to go back and look at the definitions to answer that question.

Well, I think asbestos PI Trust causes of action does include asbestos insurance rights.

Q. What else does it include?

A. Well, if you look at the definition, it includes defenses such that, for example, if a claimant says, I have a valid claim against Grace that's channelled to the Trust and the Trust disagrees with it, the Trust retains all the defenses to that claim that Grace would have had. That's clause A under definition 47.

Q. Okay.

A. Clause B is, for example, contribution rights, et cetera. So, for example, if the Trust has -- if Grace has contribution rights that it has not asserted and that which are still valid against a codefendant in a tort system and the codefendant brings in indirect

Asbestos PI Trust claim against the Trust, the Trust could assert Grace's contribution rights as a counterclaim to that. That's two categories of things that this is intended to include.

Q. Okay. Let's go to page 64, 7.2.6, Creation and Termination of the Asbestos PI TAC.

A. Correct.

Q. It says, "On or before the Confirmation Date, the initial members of the Asbestos PI TAC shall be selected by the Asbestos PI Committee."

That has already occurred, correct?

A. Correct. They are identified in the Asbestos PI Trust Agreement.

Q. Okay. How many actual committee members are there on the Asbestos PI Committee?

A. I don't remember. But we have the Disclosure Statement here. I could re uickl find out b ust

looking at it where they are identified.

Q. Okay.

A. It's certainly more than the four that are going to be on the TAC.

Q. Okay. Is it fair to say that the actual committee members who are asbestos claimants act through their tort counsel in connection with their obligations as committee members?

A. As a general proposition, that's true. In any given committee on any given issue, an individual member might choose to show up and act on their own behalf, and there have been some examples in the past where that has occurred.

But, as a general proposition, the committee members are blue-collar folks of limited legal knowledge, and they delegate to their personal injury lawyers their sort of activities acting for them as an agent on these committees.

Oka . You are counsel to

1 **the Asbestos PI Committee. You don't**
 2 **have occasion, do you, to deal directly**
 3 **with the actual claimants?**

4 MR. FINCH: Object to the
 5 form.

6 THE WITNESS: That's not
 7 entirely true. I get calls
 8 periodically that I just got this
 9 incomprehensible Disclosure
 10 Statement from Grace and could you
 11 please tell me what it means or
 12 something. But as a general
 13 proposition --

14 MR. FINCH: Transfer to it
 15 to Finch.

16 THE WITNESS: Or where do I
 17 file my proof of claim.

18 But, as a general
 19 proposition, I don't nor do other
 20 folks at Caplin & Drysdale deal
 21 directly with original committee
 22 members.

23 BY MR. BROWN:

24 **You deal with personal**

1 **committee?**

2 A. Yes.

3 **Q. And do those committee**
 4 **members for those firms act through those**
 5 **four gentlemen?**

6 A. On the committee?

7 Q. Yes.

8 A. Generally, yes.

9 **Q. Okay. So is it fair to say**
 10 **that Mr. Rice, Mr. Weitz, Mr. Cooney, and**
 11 **Mr. Budd selected themselves to be**
 12 **members of the TAC?**

13 A. No, because there are many
 14 other members of the committee, and the
 15 committee as a whole, which, in this
 16 particular case, I believe has a majority
 17 of members that are not these four
 18 gentlemen, decided which of their members
 19 they thought would be appropriate persons
 20 to put on the TAC.

21 **Q. And how was that decided?**

22 A. As far as I know, they had
 23 informal discussions, and they had a
 24 committee meeting. I don't remember

1 **injury attorneys, correct?**

2 A. As a general proposition, we
 3 deal with the PI lawyers who have been
 4 appointed by their client committee
 5 member to act on their behest in the
 6 committee.

7 **Q. Now, the TAC members are**
 8 **John Cooney, Perry Weitz, Joe Rice,**
 9 **and -- who was the fourth one?**

10 A. Well, I can tell you by
 11 looking at the PI Trust Agreement, which
 12 is Exhibit-2 to the Plan and looking at
 13 the signature page, we should have, which
 14 is --

15 **Q. Russell Budd.**

16 A. Russell Budd, John Cooney,
 17 Joseph Rice, and Perry Weitz.

18 **Q. And each of them works for a**
 19 **law firm, correct?**

20 A. Each of them is a partner a
 21 law firm, yes.

22 **Q. Sorry. I didn't mean to...**

23 **Now, does each of those law**
 24 **firms have a client that sits on the**

1 whether there were votes or anything like
 2 that. But at the end of the day, through
 3 some sort of nomination or informal
 4 self-nomination or self-nomination,
 5 speeches, lobbying, discussions, what
 6 have you, there came a time at which the
 7 committee voted to select these four
 8 people.

9 **Q. Okay.**

10 A. And I might add that the
 11 Future Claimants Representative had a
 12 sort of a generalized oversight in the
 13 sense that while the Plan contemplates
 14 that the committee would nominate the
 15 TAC. If the FCR thought, for some reason
 16 or another, that somebody had been put on
 17 the TAC that was a real bad idea, the
 18 committee would probably have had to
 19 listen to the Future Representative's
 20 views on that even though the Futures Rep
 21 did not have sort of a formal veto or
 22 role in that process.

23 **Q. Okay. I want to now turn to**
 24 **the -- well, it's 69 on my version,**

Section 7.7, Conditions to Occurrence of the Confirmation Date, and I want to focus your attention first on (g).

A. I see it.

Q. What are the securities that are funding the Asbestos PI Trust?

A. The warrant and the Deferred Payment Agreement, which is a debt obligation, which also includes, I believe, a promissory note or promissory notes.

Q. Can you describe for me the circumstances under which the asbestos PI claim -- excuse me -- the Asbestos PI Trust will be funded with dividends?

A. In the event that it exercises the warrant and acquires stock pursuant to that exercise and the stock pays dividends, it will get dividends.

Q. And if the warrant is not exercised?

A. Then it won't get dividends.

Q. What about if there is a default under the deferred payment note?

and the tort system, et cetera, you would have a first-come-first-serve operation where there was the distinct possibility that, as it happened in the Manville Trust at the very beginning, all the money would run out the door at the front end, and there wouldn't be anything left for future claimants, which would violate 524(g).

BY MR. BROWN:

Q. Okay. Well, the way that this provision is written suggests that any procedures other than those that are set forth in this Plan would defeat the purposes of Section 524(g).

Is that what is intended here?

MR. FINCH: Object to form.

MS. HARDING: Object to form.

BY MR. BROWN:

Q. Are there other options, is

A. My recollection is that the Trust has the right to get 50.1 percent of the stock of the Debtor under those circumstances.

But, again, the terms of -- that's a very complicated set of documents, and the precise terms of that are whatever the document states. I can only give you a sort of a very generalized description.

Q. Okay. Let me draw your attention now down to (I), condition (I).

A. Yes, I see it.

Q. What does that mean?

MS. HARDING: Object to form.

THE WITNESS: Well, what it means is that if you didn't have a TDP, which includes things like a payment percentage and mechanisms for trying to trying to limit the ways in which the Trust expends monies on claims, and you just had sort of a come in, sue the Trust

the question?

A. If the question is could one hypothesize a somewhat different set of TDPs that had somewhat different procedures, the answer is depending on what that different TDP set of procedures was, you might be able to say the same thing about it.

The purpose of this thing is to say that this structure, according to the court, satisfies the requirements of 524(g) that say that you have to establish this requirement.

I mean, this is a finding of fact that is intended to have the court rule that the Plan does, in fact, meet the requirements of a subsection of 524(g).

Q. You could, in fact, have a Plan that met the qualifications for 524(g) that actually had a role for asbestos insurance entities, correct?

MR. FINCH: Object to form.

MS. HARDING: Object to